

# REQUEST FOR PROPOSALS #11-695

## MUNICIPAL SOLID WASTE MANAGEMENT SERVICES

Review of Financial Offerings  
April 19, 2011

**City of Greensboro**

# Presentation Overview

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- Proposals Received and Services Offered
- Basics of the Financial Model
- Financial Model Results
- Key Observations

# Proposal Summary

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Proposer	Proposal Summary
Advanced Disposal (2 Options)	Resume Full Operation at White Street
Carolina Energy Development	Pyrolysis Facility at Transfer Station
Gate City Waste Services	Resume Full Operation at White Street
Republic Services (3 Options)	Continue Disposal at Uwharrie Landfill
Waste Industries	Resume Full Operation at White Street

# Services Offered

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	Advanced Disposal Option 1	Advanced Disposal Option 2	Carolinas Energy Development	Gate City Waste Services	Republic Services Option 1	Republic Services Option 2	Republic Services Option 3	Waste Industries
Transfer Station	MRF <sup>1</sup>	MRF <sup>1</sup>	Pyrolysis	Closed	Open	Open	Closed	Closed
MSW Landfill (Phase III)	Yes <sup>2</sup>	Yes	-	Yes	-	-	-	Yes
C&D Landfill (Phase II)	Yes <sup>2</sup>	Yes <sup>2</sup>	-	Yes	-	-	-	Yes
Yard Waste	Yes <sup>2</sup>	Yes <sup>2</sup>	-	Yes	-	-	-	Yes
Recycling	MRF <sup>1</sup>	MRF <sup>1</sup>	-	-	-	-	-	-

<sup>1</sup> Contractor converts City's Transfer Station to a Materials Recovery Facility (MRF)

<sup>2</sup> Contractor offer provides only labor and equipment, City retains tipping fees for non-city tons.

# Model Basics

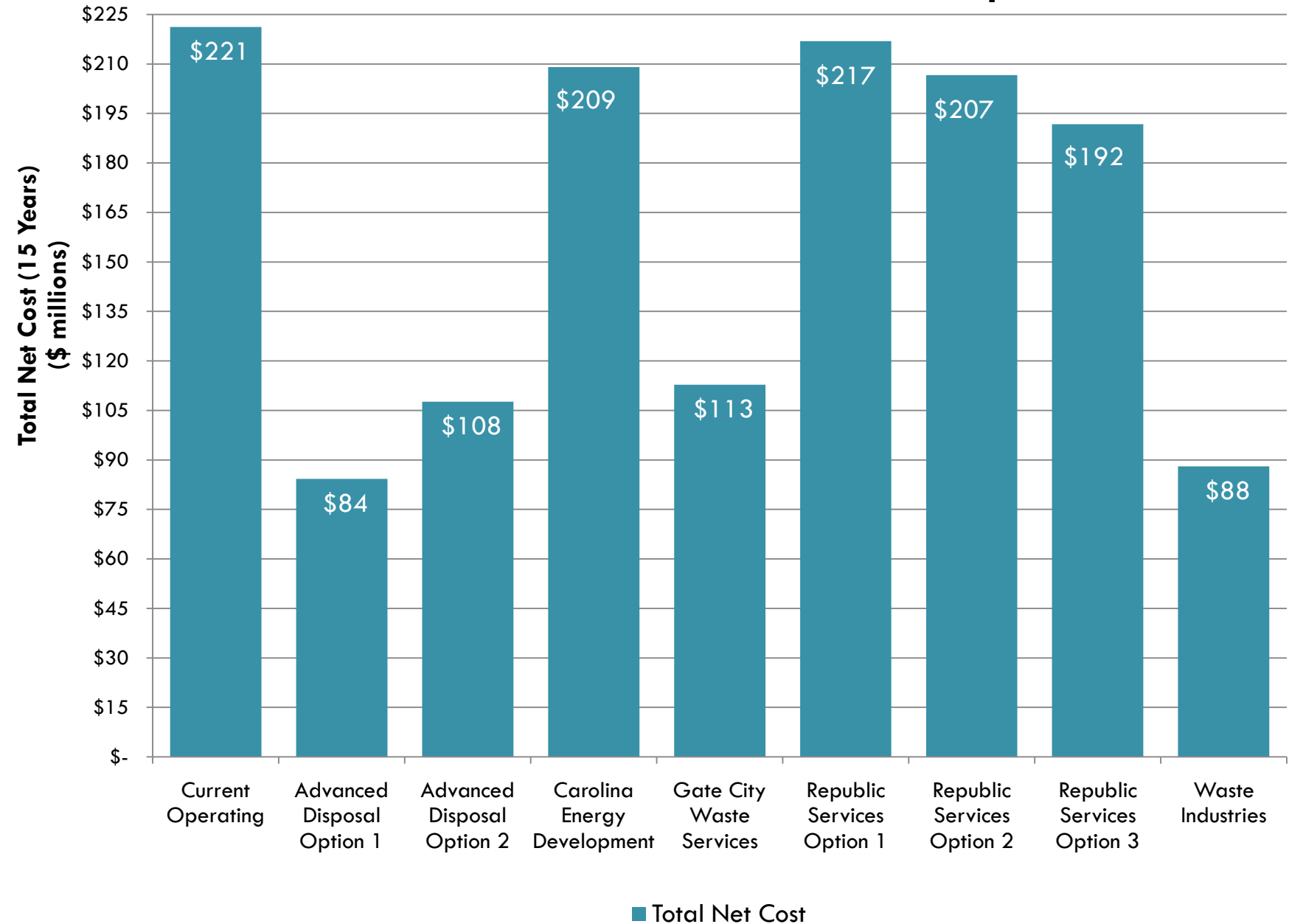
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- 15 year period modeled, 2012 to 2026
- Tonnages escalated by 2%
- Most costs escalated by Consumer Price Index (CPI)
- Each model addresses MSW, C&D, Yard Waste, and Recyclables
- For services not offered by contractor, Model assumes City continues per current system
- No collection costs are included
- No interdepartmental revenue (fund transfers) are included
- \$2/ton MSW and C&D tax is included
- Total Net Costs represents a summation of the 15 year Model output
- Model represents a “snapshot” to compare financial offers and changes in assumptions can change model output

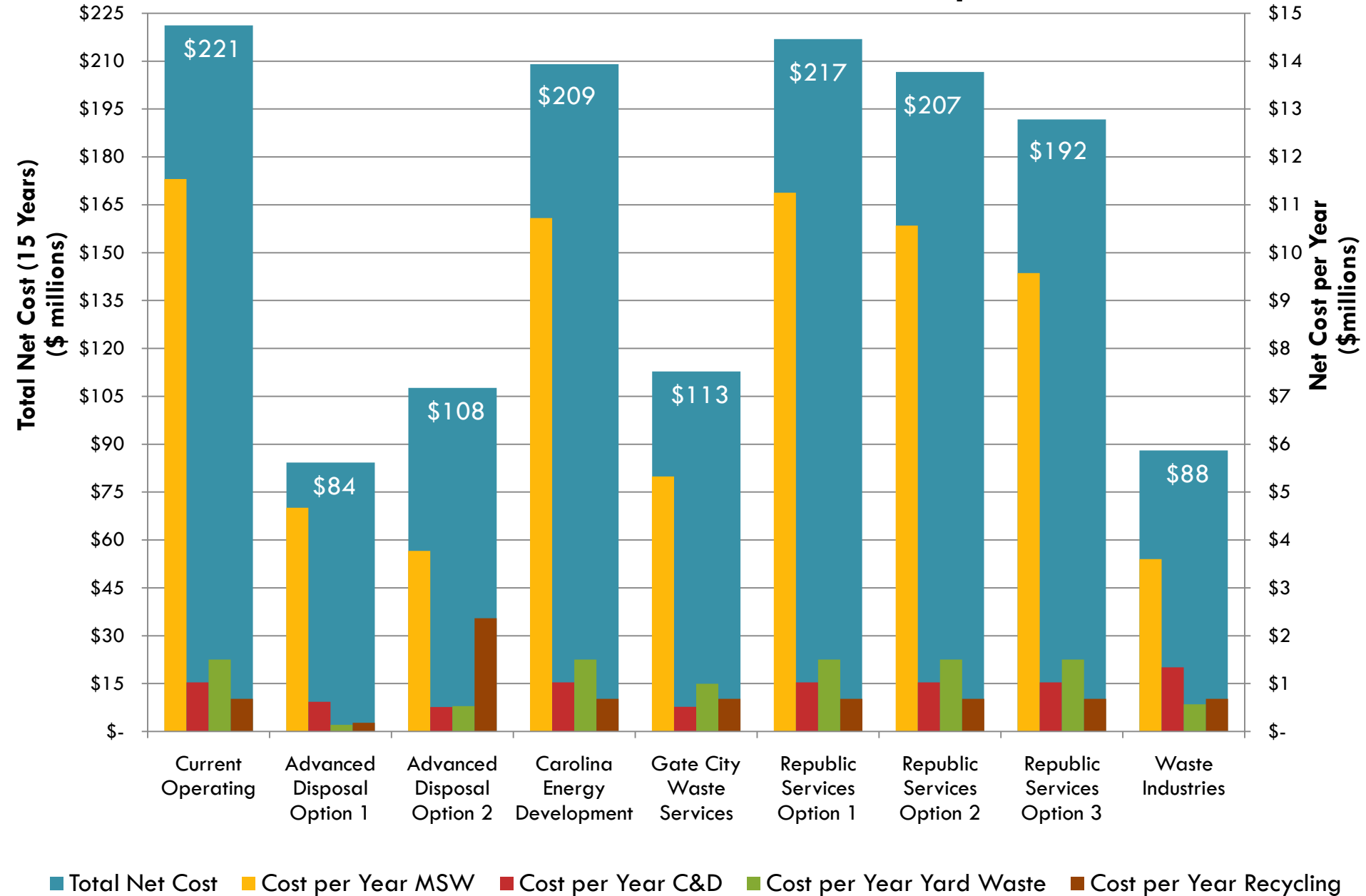
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# Model Results

# Greensboro Solid Waste Models Compared



# Greensboro Solid Waste Models Compared



		Current Operating	Advanced Disposal Option 1	Advanced Disposal Option 2	Carolina Energy Development	Gate City Waste Services	Republic Services Option 1	Republic Services Option 2	Republic Services Option 3	Waste Industries
MSW	Cost	\$ (263,405,136.64)	\$ (153,882,605.92)	\$ (96,256,347.66)	\$ (251,195,461.18)	\$ (84,370,754.85)	\$ (259,125,524.64)	\$ (248,807,796.80)	\$ (143,596,654.57)	\$ (54,885,920.36)
	Revenue	\$ 90,332,020.80	\$ 83,778,920.70	\$ 39,684,389.38	\$ 90,332,020.80	\$ 4,463,939.03	\$ 90,332,020.80	\$ 90,332,020.80	\$ -	\$ 863,000.00
	Net	\$ (173,073,115.85)	\$ (70,103,685.22)	\$ (56,571,958.28)	\$ (160,863,440.38)	\$ (79,906,815.82)	\$ (168,793,503.85)	\$ (158,475,776.00)	\$ (143,596,654.57)	\$ (54,022,920.36)
	Avg Cost per Year MSW	\$ 11,538,208	\$ 4,673,579	\$ 3,771,464	\$ 10,724,229	\$ 5,327,121	\$ 11,252,900	\$ 10,565,052	\$ 9,573,110	\$ 3,601,528
C&D	Cost	\$ (40,251,306.00)	\$ (34,162,669.95)	\$ (32,501,647.35)	\$ (40,251,306.00)	\$ (9,003,988.76)	\$ (40,251,306.00)	\$ (40,251,306.00)	\$ (40,251,306.00)	\$ (20,090,595.53)
	Revenue	\$ 24,851,101.55	\$ 24,851,101.55	\$ 24,851,101.55	\$ 24,851,101.55	\$ 1,310,212.83	\$ 24,851,101.55	\$ 24,851,101.55	\$ 24,851,101.55	\$ -
	Net	\$ (15,400,204.46)	\$ (9,311,568.41)	\$ (7,650,545.81)	\$ (15,400,204.46)	\$ (7,693,775.93)	\$ (15,400,204.46)	\$ (15,400,204.46)	\$ (15,400,204.46)	\$ (20,090,595.53)
	Avg Cost per Year C&D	\$ 1,026,680	\$ 620,771	\$ 510,036	\$ 1,026,680	\$ 512,918	\$ 1,026,680	\$ 1,026,680	\$ 1,026,680	\$ 1,339,373
Yard Waste	Cost	\$ (25,881,531.83)	\$ (7,809,554.15)	\$ (13,652,096.68)	\$ (25,881,531.83)	\$ (14,979,192.88)	\$ (25,881,531.83)	\$ (25,881,531.83)	\$ (25,881,531.83)	\$ (8,544,669.30)
	Revenue	\$ 3,371,157.83	\$ 5,735,872.04	\$ 5,735,872.04	\$ 3,371,157.83	\$ -	\$ 3,371,157.83	\$ 3,371,157.83	\$ 3,371,157.83	\$ -
	Net	\$ (22,510,374.01)	\$ (2,073,682.10)	\$ (7,916,224.64)	\$ (22,510,374.01)	\$ (14,979,192.88)	\$ (22,510,374.01)	\$ (22,510,374.01)	\$ (22,510,374.01)	\$ (8,544,669.30)
	Avg Cost per Year Yard Waste	\$ 1,500,692	\$ 138,245	\$ 527,748	\$ 1,500,692	\$ 998,613	\$ 1,500,692	\$ 1,500,692	\$ 1,500,692	\$ 569,645
Recycling	Cost	\$ (15,837,904.57)	\$ (6,665,229.38)	\$ (43,897,576.56)	\$ (15,837,904.57)	\$ (15,837,904.57)	\$ (15,837,904.57)	\$ (15,837,904.57)	\$ (15,837,904.57)	\$ (15,837,904.57)
	Revenue	\$ 5,607,333.47	\$ 3,925,133.43	\$ 8,411,000.21	\$ 5,607,333.47	\$ 5,607,333.47	\$ 5,607,333.47	\$ 5,607,333.47	\$ 5,607,333.47	\$ 5,607,333.47
	Net	\$ (10,230,571.10)	\$ (2,740,095.95)	\$ (35,486,576.35)	\$ (10,230,571.10)	\$ (10,230,571.10)	\$ (10,230,571.10)	\$ (10,230,571.10)	\$ (10,230,571.10)	\$ (10,230,571.10)
	Avg Cost per Year Recycling	\$ 682,038	\$ 182,673	\$ 2,365,772	\$ 682,038	\$ 682,038	\$ 682,038	\$ 682,038	\$ 682,038	\$ 682,038
Total	Cost	\$ (345,375,879.05)	\$ (202,520,059.39)	\$ (186,307,668.26)	\$ (333,166,203.59)	\$ (124,191,841.07)	\$ (341,096,267.05)	\$ (330,778,539.20)	\$ (225,567,396.97)	\$ (99,359,089.75)
	Revenue	\$ 124,161,613.64	\$ 118,291,027.72	\$ 78,682,363.18	\$ 124,161,613.64	\$ 11,381,485.34	\$ 124,161,613.64	\$ 124,161,613.64	\$ 33,829,592.84	\$ 11,312,660.81
	Net	\$ (221,214,265.41)	\$ (84,229,031.67)	\$ (107,625,305.08)	\$ (209,004,589.95)	\$ (112,810,355.73)	\$ (216,934,653.41)	\$ (206,616,925.56)	\$ (191,737,804.13)	\$ (88,046,428.94)
	Avg Cost per Year Total	\$ 14,747,618	\$ 5,615,269	\$ 7,175,020	\$ 13,933,639	\$ 7,520,690	\$ 14,462,310	\$ 13,774,462	\$ 12,782,520	\$ 5,869,762

# Key Observations

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- If White Street Resumes Full Operation
  - ▣ Control of Waste vs. Turnkey offers
    - Full Privatization
    - “Push and Pack” Offer
  - ▣ Contract Term – Impact on Future Options
- If Not White Street
  - ▣ Negotiate with Republic (Option 1, 2, or 3)
- Other Issues
  - ▣ Optimize Yard Waste Program
  - ▣ Optimize Landfill Gas

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Questions?